

חוברת התדמית רשות ההשקעות 1980

INVESTING IN ISRAEL

לעו לוקחים וכל העם עדים אתם היום
מי קנית את כל אשר לאלימלך ואת כל
אשר לכליון ומחלון מיד נעמוי וגם את
רבת המאכיה אשר מחלון קנית לי
לאשה להקים שם המל על נחלתו ולא
יפית שם המל מעם אחיו ומשער מה



אשר לאחלך בעינת רשעים ובדרך חטאים
לא עמד ובמושב לנים לא ישבו כי
אם בתורת יהוה חפצו ובתורתו יהגה יומם
ולילה והיה בעץ שתול על פלגי
מים אשר פרוי ותן בעטו ועלה לא יבול
וכל אשר יעשה יעליח לא כן הד



Israel Investment Authority Head Office management team

Israel offers a uniquely receptive business climate to foreign investors in many fields. As a result, several hundred overseas companies, many of which rank among the world's largest and most prestigious corporations, are currently invested in a broad range of commercial ventures encompassing all productive branches of Israel's dynamic economy.

This booklet provides general background information on the advantages and incentives available to foreign investors. More detailed information on investing in Israel is contained in a series of specialized brochures published by the Government of Israel Investment Authority, whose overseas representatives can provide every assistance. Please refer to the addresses on the inside back cover of this booklet.

Refael Benvenisti

REFAEL BENVENISTI
Managing Director

ISRAEL

ROOTED IN 4000 YEARS
OF HISTORY

the land

Located on the eastern seaboard of the Mediterranean, Israel is an historic link between Europe, Asia and Africa. Its history and people date back to the first half of the second millenium. Modern Israel was established as an independent state in 1948.

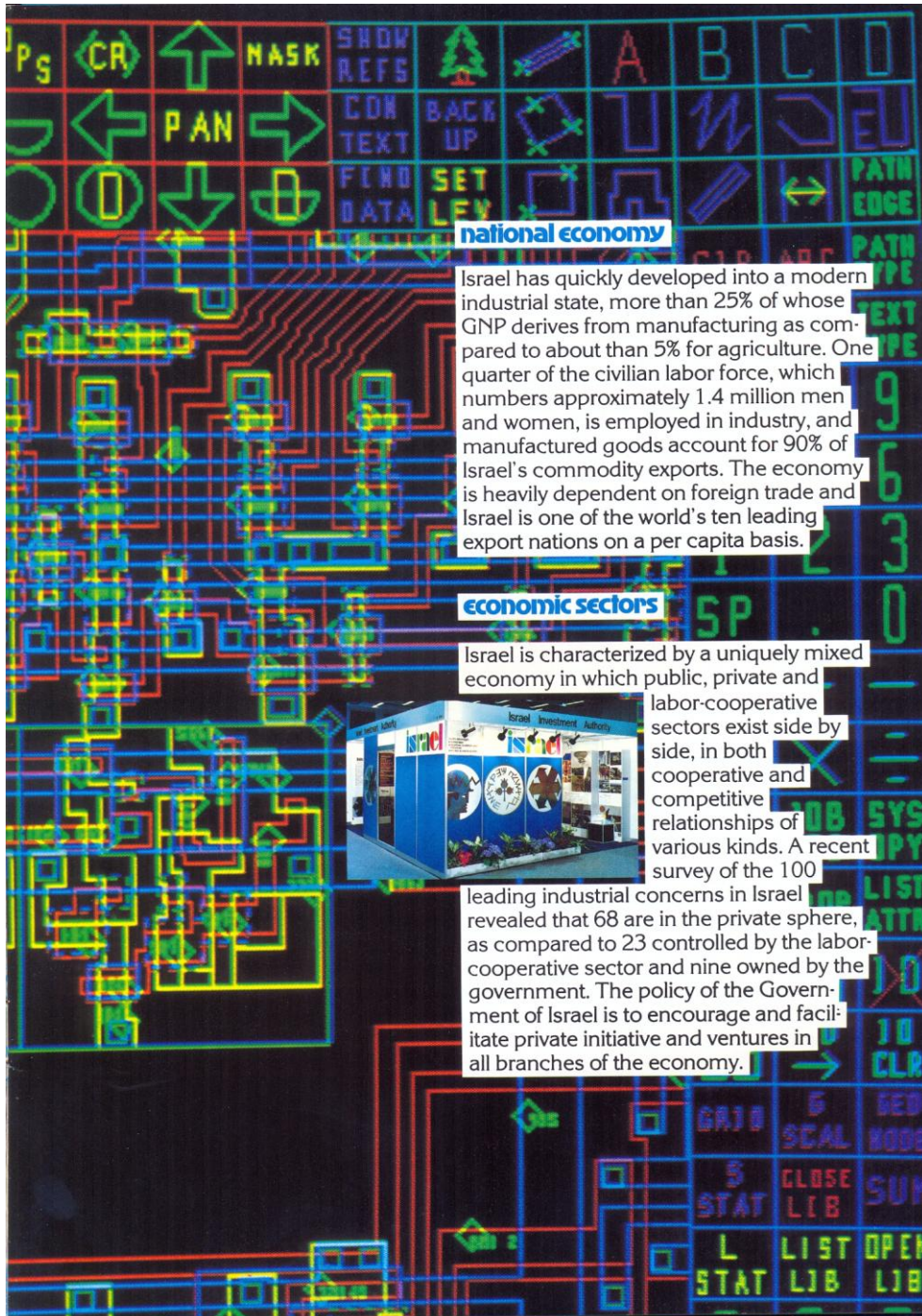
political structure

Israel is a parliamentary democracy in which supreme authority rests with a unicameral legislature known as the Knesset, whose members are elected by universal suffrage under a system of proportional representation. Israel safeguards universally recognized human and civil rights, and the free exercise of any profession, trade or business.

population

The number of people in Israel exceeds four million. Jews account for 84% of the total population. Native-born Israelis now account for more than 55% of the population, with the remainder coming from more than 100 countries around the world. As a result of rapid urbanization, 87% of all Israelis live in cities, towns or other urban units.





national economy

Israel has quickly developed into a modern industrial state, more than 25% of whose GNP derives from manufacturing as compared to about 5% for agriculture. One quarter of the civilian labor force, which numbers approximately 1.4 million men and women, is employed in industry, and manufactured goods account for 90% of Israel's commodity exports. The economy is heavily dependent on foreign trade and Israel is one of the world's ten leading export nations on a per capita basis.

economic sectors

Israel is characterized by a uniquely mixed economy in which public, private and labor-cooperative sectors exist side by side, in both cooperative and competitive relationships of various kinds. A recent survey of the 100 leading industrial concerns in Israel revealed that 68 are in the private sphere, as compared to 23 controlled by the labor-cooperative sector and nine owned by the government. The policy of the Government of Israel is to encourage and facilitate private initiative and ventures in all branches of the economy.

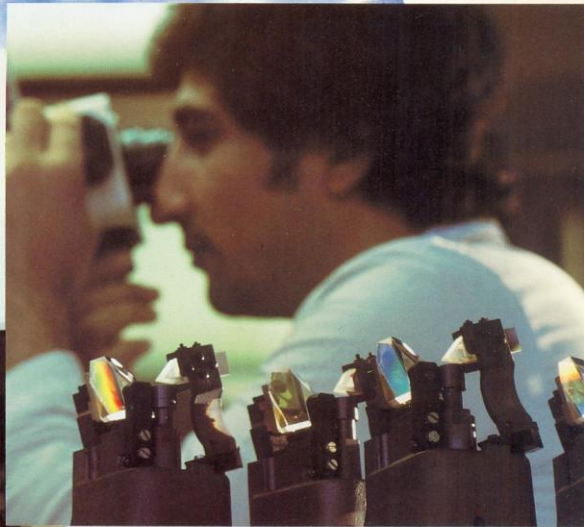


SCIENCE

UNDER THE SUN

Israel is R&D-intensive, devoting more than 2% of annual GNP to research and development — the same level as the most advanced nations in the world today. Currently, some 150 foreign companies are involved in high-technology projects in Israel in such fields as aviation, communications, CAD/CAM, medical electronics, lasers, robotics, biotechnology and genetic engineering, fine chemicals and pharmaceuticals, solar energy and sophisticated irrigation. Israel is also R&D-productive. More than one-third of industrial exports now consists of original, Made-in-Israel innovative products, systems and processes — and this figure will reach at least 50% in the next few years.





"Israel flexes industrial muscle"

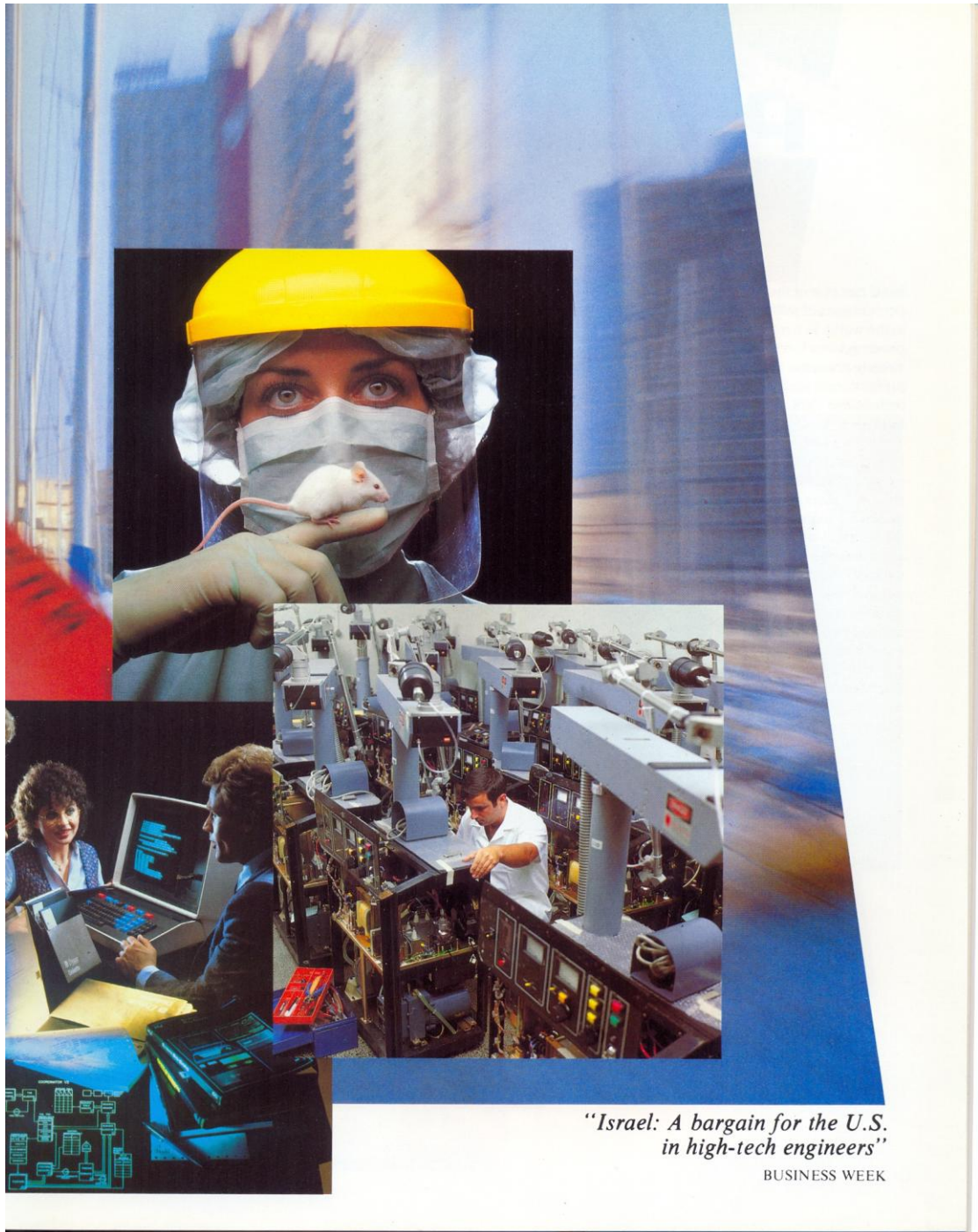
AMERICAN MACHINIST

HIGH-RISE AND

HIGH-TECH...

All of Israel's world-renowned universities and research institutes conduct industrial R&D activities and provide a range of services to modern industry. Binational R&D agreements and special funds to finance innovation are also part of Israel's unique infrastructure for high-technology ventures in every field. Of the industrial R&D projects supported to date, 41% resulted in commercial products and 26% in export goods — more than twice the success rate in the United States or Western Europe. From wholly-owned subsidiaries or plant-to-plant cooperation through to limited partnerships or venture capital financing, foreign investors can tailor-make their participation in Israel's science-based industry.



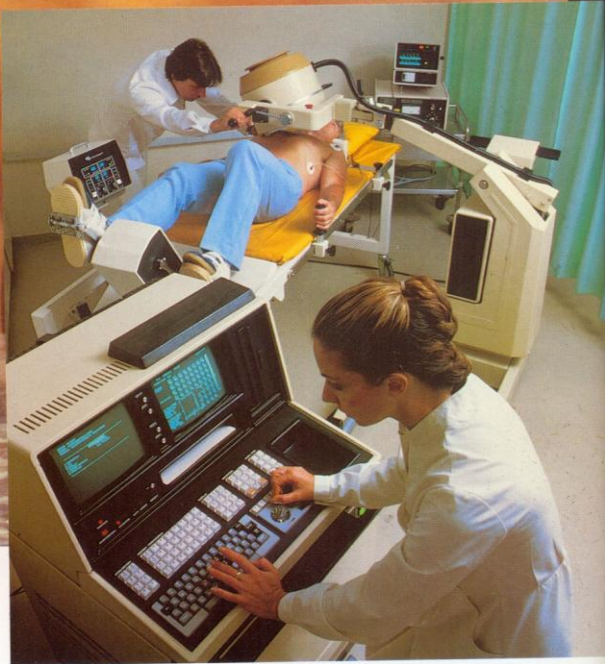


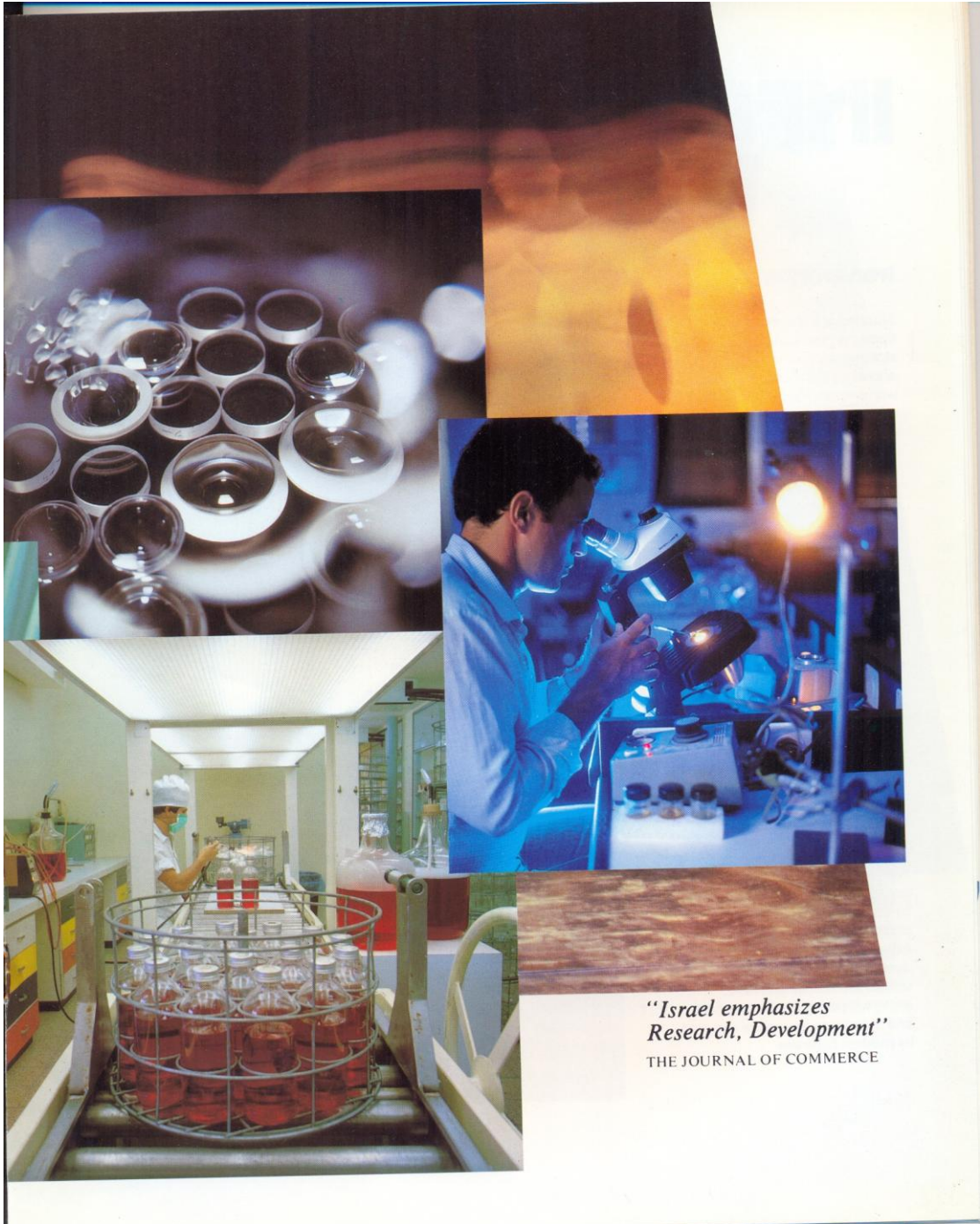
*"Israel: A bargain for the U.S.
in high-tech engineers"*

BUSINESS WEEK

CULTURE PLUS

Israel has one of the largest percentages of skilled manpower in the world. In a rapidly expanding labor force, 28% are already academically trained professionals and highly qualified technicians, 50% have had at least 11 years of schooling, and 12% have university degrees. Nine out of every 1,000 people employed in manufacturing are R&D scientists and engineers — one of the highest proportions anywhere — and their numbers are currently increasing at a compound annual rate of 16%. In the universities, 40% of all students are specializing in fields with high industrial R&D potential — engineering mathematics, physical sciences and medicine. Each year, more than 15,000 new industrial workers graduate from an extensive network of vocational high schools.





*"Israel emphasizes
Research, Development"*

THE JOURNAL OF COMMERCE

INFRASTRUCTURE

FOR GROWTH

transportation

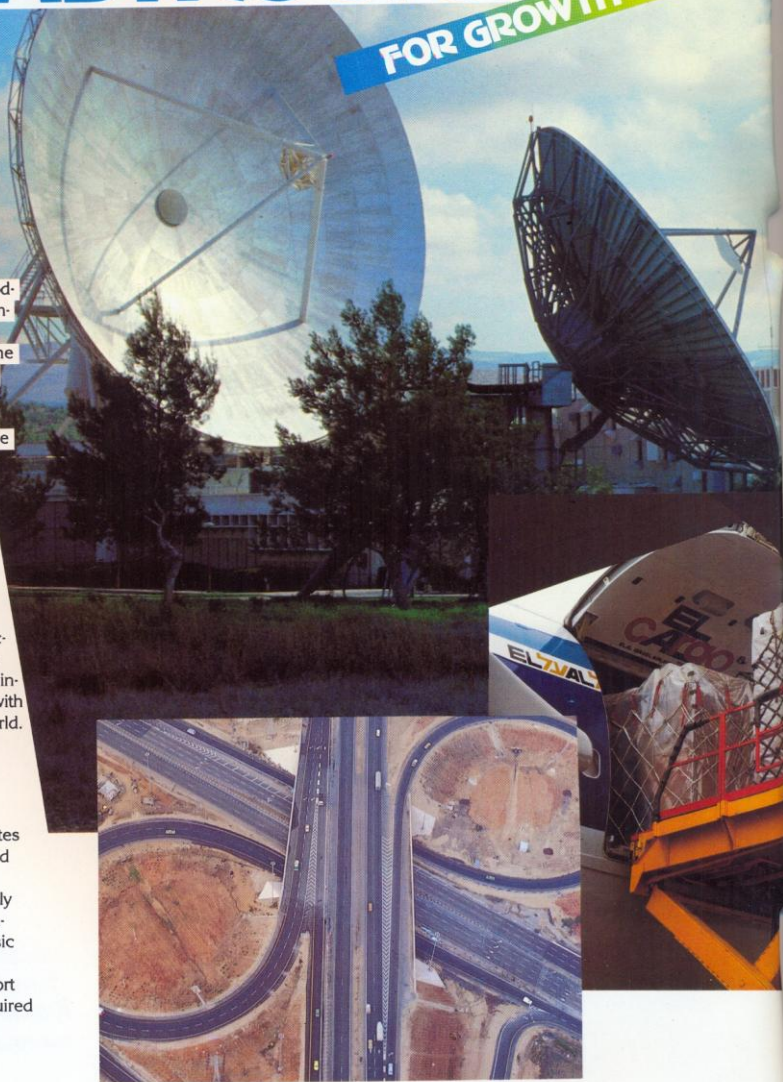
Situated at the crossroads of three continents, Israel is strategically located for ready access to the markets of the world where Made-in-Israel products enjoy duty-free or preferential access. Excellent air and sea cargo networks facilitate the steady growth of export trade. Domestically, well-planned highways, railroad lines and a modern trucking fleet serve the business community.

communications

Israel's sophisticated communications system includes satellite links, direct-dial telephone, telex, cable and facsimile services. Together they keep Israel's commercial and industrial community in touch with major markets around the world.

services

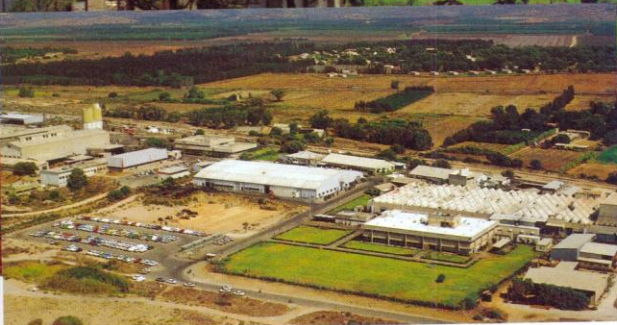
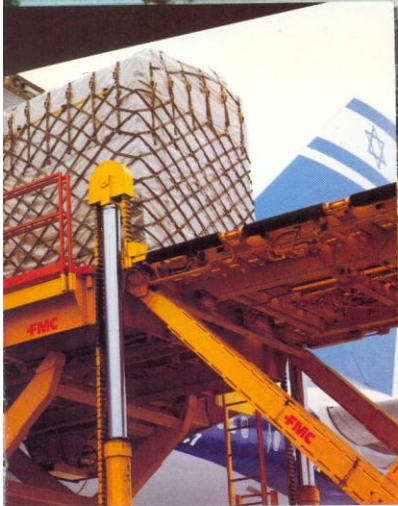
A national power grid distributes energy to all parts of Israel. Fed by coal- and oil-fired power plants, this system is constantly expanding to meet growing industrial demand. All other basic utilities are readily available, along with every type of support and maintenance service required by modern business.





room to grow

Specialized industrial parks and science-based industry campuses are located throughout Israel. Premises at these sites may be leased at reduced rental schedules or purchased with convenient mortgages. The government-owned Industrial Buildings Corporation or leading private builders may be contracted for standard structures or made-to-order facilities.



"Israel — an industrial oasis with sophisticated electronic, computer and medical industries"

INTERNATIONAL HERALD TRIBUNE



BUSINESS

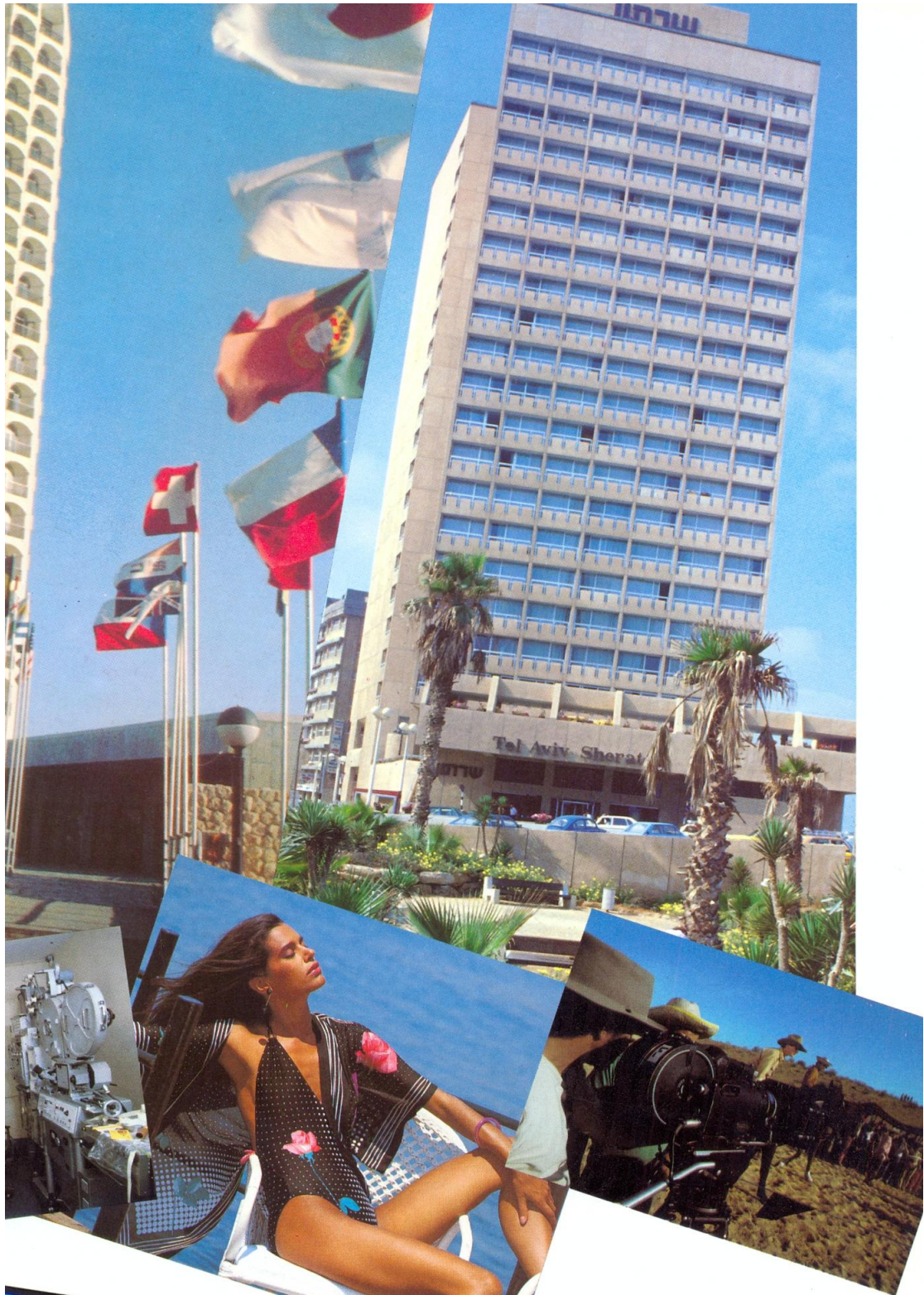
MEANS A LOT TO US

In addition to industrial ventures, Israel offers foreign investors a broad range of other profitable business sectors such as real estate, tourism, film-making, oil exploration and computer programming. As in manufacturing and industrial R&D, approved projects in these fields are eligible for government support.

Israel facilitates foreign investment in rental properties including residential housing, office buildings, shopping centers and industrial parks. Accommodations and specialized recreation facilities for tourists are also encouraged in Israel, as is the production of films for overseas cinema and television audiences. Innovative software for export is a particularly dynamic investment field.

"Israel's lure — low wages, high skills"

ELECTRONIC BUSINESS



FOLLOW

THE LEADERS

These distinguished firms are just some of the many companies from around the world which have invested in Israel:

electronics and instrumentation

American Electronics Laboratories, Inc.
Astronautics Corp. of America
AVX Corporation
Celesco Transducer Products, Inc.
Computer Consoles, Inc.
Control Data Corporation
Digital Equipment Corporation
Electro Materials Corp. of America
Fibronics International, Inc.
General Dynamics Corp.
General Telephone & Electronics Corp. (GTE)
Gerber Scientific, Inc.
HCC Industries, Ltd.
High Voltage Engineering Corp.
Hughes Aircraft Co.
Intel Corporation
International Business Machines (IBM)
Kulicke & Soffa Industries, Inc.
M/A — Com, Inc.
Mennen Medical, Inc.
Motorola, Inc.
National Semiconductor Corp.
Phasecom Corporation
Raychem Corp.
Systems Engineering Laboratories, Inc.
Vishay Intertechnology, Inc.

Samuel Osborn & Co. Ltd.
Sciaky Bros., Inc.
Sealed Unit Parts Co., Inc.
Tame Valley Alloys Ltd.
Veeco Instruments, Inc.
Welbilt Electronic Die Corp.
Zimcor Industries

chemicals and energy

Baxter Travenol Laboratories, Inc.
Bel-Art Products
Bio-Technology General Corp.
Dexter Chemical Corporation
Economics Laboratory, Inc.
Energy Exploration, Ltd.
Estech, Inc.
First Mississippi Corp.
Gelman Sciences, Inc.
General Refractories Company
Globe Union, Inc.
Griffin Corporation
Griffith Laboratories, Inc.
Helena Rubinstein, Inc.
ICC Industries, Inc.
International Genetic Sciences, Ltd.
MacDermid, Inc.
Overseas Public Utilities and Gas Corp.
Pennwalt Corp.
Philipp Brothers Chemicals, Inc.
Revlon, Inc.
Royal Packaging Industries
Sigma Aldrich Corporation
Witco Chemical Corporation

metals

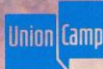
American Can Company
American Heliothermal Corp.
Austin Instruments, Inc.
Chromalloy American Corporation
Deutsch Company
Dixie Steel & Supply Co., Inc.
Felt Products Mfg. Co.
Fischer & Porter Co.
LSB Industries, Inc.
Phibro Corporation
Rapid American Corp.



CHROMALLOY



THE GERBER SCIENTIFIC INSTRUMENT COMPANY





INTERNATIONAL PAPER COMPANY



INSTRUMENTS INC.

National Semiconductor



REVLON



medgeneral



GTE

VISRAY INTERTECHNOLOGY, INC.



intel



MOTOROLA



miscellaneous

- Asbestos Cement Industries
- Baltimore Spice Co.
- Bank für Gemeinwirtschaft A.G.
- CBS, Inc.
- Commercial Credit Corporation
- Dun & Bradstreet International Ltd.
- Edward L. Bateman, Ltd.
- General Mills, Inc.
- Gestetner Corporation
- International Paper Company
- Invag Corporation
- Manpower, Inc.
- Mindy's, Ltd.
- Pioneer Concrete Services, Ltd.
- Ready Mixed Concrete, Ltd.
- Seagram Co., Ltd.
- Tri-Wall Containers, Inc.
- Union Camp Corporation
- United Artists
- Zale Corporation

Sheraton Hotels

TA
ON

ISRAEL'S PACKAGE OF BENEFITS FOR BUSINESS SUCCESS

To encourage foreign investors in industry, Israel offers an attractive package of incentives designed to provide higher leverage for lower costs and risks, and increased profits. The entire incentives package is easily adaptable to any type of investment project or business plan in a broad range of economic sectors including manufacturing, real estate, tourism, film production and R&D. Some of its current elements for industry ventures are listed below:

financial incentives

- Cash grants and low-interest loans up to 75% of the investment in fixed assets, disbursable as follows: 35% in grants and 40% in long-term, low-interest loans.
- Minimal investor participation in infrastructure development costs.
- 50% government cost-sharing for approved R&D projects aimed at exports.
- Low-interest loans to finance working capital for export production.
- Government cost-sharing of labor-training.
- Special low rentals for industrial premises or convenient mortgages for their purchase.
- Low-cost leasing of equipment and machinery.

WHAT TO DO. WHERE TO GO...

The Government of Israel Investment Authority was specifically established to provide one-stop service by coordinating the roles of governmental departments and public agencies and assisting foreign investors in all phases of their business projects in Israel. With an international network of offices, the Investment Authority is close at hand in all major industrial and financial centers the world over. Follow this actions checklist for efficient and effective service:

- ✔ Begin by requesting more literature about investing in Israel from the Investment Authority representative nearest you. Read about our skilled manpower, tax concessions, financial incentives, trade agreements and R&D environment.
- ✔ Then, ask the Investment Authority representative for additional background about the economic climate in Israel, the availability of raw materials, and the costs of transportation, labor and services. Arrange for him to make a comprehensive presentation in your own offices on business opportunities in Israel.

tax concessions

- Full exemption from income tax on retained profits for 7 years starting with the first year of taxable income, and only 30% corporate tax.
- Special tax provision to protect equity against the effects of inflation and devaluation.
- New industrial machinery and equipment can be fully depreciated in real value in just 4 years, and industrial buildings in 5.
- Deferment or exemption from customs duty and purchase tax on imports for the production of export goods.
- Agreements with 15 leading industrialized nations for the avoidance of double taxation.
- No estate duty, and no property tax on any assets other than vacant plots.

and much more

- Highly skilled labor at relatively low wages.
- Duty-free agreements with Europe and the U.S.
- Preferred access to other industrialized markets.
- No limitation on foreign ownership.
- Free repatriation of invested capital and profits.
- Exchange rate insurance.
- Export trade risk insurance.

- ✔ For a first-hand assessment, let the Investment Authority assist you and your staff in planning a visit to Israel, either privately or as members of an investment study mission. Inquire about upcoming Israel Investment Seminars or other events scheduled for your area.

In Israel, the Investment Authority will:

- ✔ Set up business appointments and arrange meetings with relevant government bodies or public organizations.
- ✔ Match you with an Israeli partner, if you wish.
- ✔ Open the doors to all the agencies which provide components of the incentives package, and help you with site selection.
- ✔ Act on your behalf throughout the investment period — cutting red tape, serving as advisor and facilitating all aspects of your project.

Investing in Israel has been a rewarding experience for hundreds of foreign companies and individuals in all productive sectors of the economy. To give your business a chance to grow, just contact one of the Investment Authority representative offices listed on the opposite page.

ISRAEL INVESTMENT AUTHORITY

6 Pick Street, P.O. Box 3426, 91 034 Jerusalem
Tel. (02)522-205, 537-207 Telex: 26186 INVES IL

**USA — HEAD OFFICE
AND EASTERN REGION**

Empire State Building
350 Fifth Avenue, 19th floor
New York, NY 10118
Tel. (212) 560-0610

NORTHEASTERN REGION

Park Square Building, Suite 324
31 St. James Avenue
Boston, Mass. 02116
Tel. (617) 426-3636

MID-ATLANTIC STATES

Lewis Tower Building
225 South 15th Street
Philadelphia, PA 19102
Tel. ((215) 546-4300

MIDWESTERN REGION

14 N. Michigan Avenue
Chicago, Illinois 60601
Tel. (312) 332-2160

WESTERN REGION

6380 Wilshire Boulevard
Suite 1700
Los Angeles, Cal. 90048
Tel. (213) 658-7924

SOUTHWESTERN REGION

One Greenway Plaza East
Suite 722
Houston, Texas 77046
Tel. ((713) 840-0510

SOUTHEASTERN REGION

330 Biscayne Boulevard
Miami, Florida 33132
Tel. ((305) 358-8140

**CANADA — HEAD OFFICE
AND WESTERN REGION**

102 Bloor Street West
Toronto, Ont. M5S 1M8
Tel. ((416) 961-1242

EASTERN REGION

2085 Union Avenue
Suite 1675
Montreal, PQ H3A 2C3
Tel. (514) 288-9276

EUROPE — HEAD OFFICE

Buitenhof 47
The Hague
Holland
Tel. (70) 655-574

UNITED KINGDOM

2 Palace Green
London W8 4QB
Tel. (1) 937-8050

WEST GERMANY

Simrockstrasse 2
53 Bad Godesberg,
Bonn
Tel. (228) 8231

FRANCE

3, rue Rabelais
75008 Paris
Tel. (1) 266-9149

AUSTRALIA

100 William Street
Sydney, NSW 2011
Tel. (2) 358-3571

In other locations, please contact nearest Israel embassy or consulate

Text by: Joel Weiner.

Editorial assistant: Yaffa Cohen

Designed and produced by W. Turnowsky Ltd., Tel Aviv.
Printed in Israel

Special photography: Miki Koren, Mula & Haramaty.

Photographs reproduced by courtesy of:

Elbit Computers Ltd., Haifa; Electro-Optics Industries Ltd., Rehovot; Elscint Ltd., Haifa; Gottex Models Ltd., Tel Aviv; Hilton Hotel, Jerusalem; IBM Israel Ltd., Tel Aviv; Interpharm Laboratories Ltd., Nes Ziona; Laser Industries Ltd., Petah Tikva; Motorola Israel Ltd., Tel Aviv; National Semiconductors (Israel) Ltd., Herzlia; Sheraton Hotel, Jerusalem; Tadiran Israel Electronics Industries Ltd., Tel Aviv; United Studios of Israel Ltd., Herzlia.

Published by the Israel Investment Authority, Jerusalem

ישׁי אבי דוד : ואלה בולדות פרץ
הוליד את חירון : וחירון הוליד את רם
ורם הוליד את עמינדב : ועמינדב הוליד
את נחשון ונחשון הוליד את שלמה ושלמן
הוליד את צען וצען הוליד את עובד : ועובד
הוליד את ישי וישי הוליד את דוד : חוק

ג
ד
ה
ו
ז
ח
ט

יזהרע אשר יובן
זאת ויבה בעז
שה ות יבא אליה
ולד בן : ובאמר
יהוה אשר לא היה
ויקרא שמו ביט



אמי שעל בכפי אמגמלתי שלמירע
ואחלינה עזרי ריקם : ירדה אויב
נפשי וישג וירמס לי ארץ חיי וכבוד
לעפר ושמן סלה : קומה יהוה נא
הנשא מעבותת צדרי ועזרה אלי משפט
עיתה : ועדת לאמים תסוככך ונ

ב
ג
ד
ה
ו
ז
ח
ט

אני טוב נסה עלינו
זה שמחה לבבי
רפנו בשלום יהוה
יאתה יהוה לי
את מזמור לדוד